

THE PERMANENT INTERNET TAX FREEDOM ACT

H.R. 743

The Internet Tax Fairness Act of 1998 created a moratorium on Internet access taxes and multiple and discriminatory taxes. As a result of this moratorium, the Internet has remained relatively free from the burdens of new taxes. The moratorium has been extended on numerous occasions. However, without further action by Congress, the moratorium will sunset in November of this year, subjecting the Internet to possible taxation from more than 7,500 taxing jurisdictions. We must continue to ensure that the Internet remains free from restrictive taxation by making the tax moratorium permanent.

Excessive taxation and regulation will hamper the Internet's tremendous growth and stifle investment in small businesses that utilize this tremendous medium. The last thing that consumers need is for the puzzling array of taxes on their phone bills to be repeated on their Internet service bills. In addition, taxing Internet access will increase the costs of households going on-line and result in a greater disparity between those households that can afford to go on-line and those that cannot.

H.R. 743, the Permanent Internet Tax Freedom Act, will encourage continued investment in and utilization of the Internet by permanently banning Internet access taxes. This legislation is forward-looking, will help make Internet access more affordable for all citizens, and will provide the certainty that businesses need to make calculated decisions regarding the ways in which they will utilize and invest in Internet technologies.